

## North-State Telephone Company

June 30, 2005

Ms. Marlene Dortch  
Office of the Secretary  
Federal Communications Commission  
445-12<sup>th</sup> Street SW  
Room TW-A325  
Washington, DC 20554

RE: CC Docket No. 96-45  
North-State Appeal Letter to Commission Dated June 20, 2005  
(Confirmation #2005620002125)  
USAC Letter Dated June 3, 2005

On June 20, 2005 North-State filed an appeal with the Commission regarding USAC's interpretation of Part 36.125(a)(5). In the discussion section of the letter we referenced NECA's administration of the common line and traffic sensitive pools with regards to this section of the rules. Our comments were not complete, and may not accurately reflect NECA's procedures for periods subsequent to the separations freeze order.

Specifically, we indicated that NECA has required the use of the current year DEM for developing the local switching factor. We indicated they have required this since 1998 as documented in their requirements to all pool participants. While these statements are true, they do not reflect the recognition of the separations freeze using the 2000 year DEM. NECA's directive to the pool members clearly does incorporate the freeze thus for all periods subsequent to the effective date of the freeze order NECA requires the Local Switching factor to be developed using the 2000 frozen DEM added to the frozen Additive which was developed using the 1996 weighted DEM minus the 1996 unweighted DEM.

If you need any further clarification regarding our appeal of USAC's adjustment to our LSS and our request for a declaratory ruling regarding Part 36.125(a)(5), please contact our consultant, Ken Burchett at GVNW Consulting, Inc. at 503 612-4408.

Sincerely,

Gary Miller

CC: NECA – Jeff Dupree  
USAC  
GVNW – Ken Burchett